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## **Economic Growth, Housing and Environmental Sustainability Committee**

Tuesday, 24 August 2021

### **SUPPLEMENTARY AGENDA**

The undernoted reports have been added to the Agenda for the meeting of the **Economic Growth, Housing and Environmental Sustainability Committee** to be held at **Various Locations via Video-Conference**, on **Tuesday, 24 August 2021** at **09:30**.

#### **BUSINESS**

##### **12a. Scotland Loves Local**

**3 - 12**

Report by Depute Chief Executive (Economy, Environment and Finance)





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**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL  
SUSTAINABILITY COMMITTEE ON 24 AUGUST 2021**

**SUBJECT: SCOTLAND LOVES LOCAL**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee about the Scotland Loves Local Gift Card initiative and seek approval to participate by creating a Moray wide gift card scheme; also to seek approval to submit an application to the complementary Scotland Loves Local Fund.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

**2. RECOMMENDATION**

**2.1 The Committee is asked to:-**

- (i) consider and note the scope of the Scotland Loves Local gift card campaign;**
- (ii) agree to participate in the first year at no cost to Council with a review on future participation if any;**
- (iii) authorise the signing of the concordat agreement with the Scotland Towns Partnership; and**
- (iv) agree to delegate authority to the Head of Economic Growth and Development to submit a potential application to the Scotland Loves Local Fund in consultation with Group Leaders.**

**3. BACKGROUND**

- 3.1 **Scotland Loves Local Gift Card** - The 'Scotland Loves Local' national campaign (<https://lovelocal.scot/>), led by the Scotland's Towns Partnership

(STP) with support from the Scottish Government, was launched in July 2020 to support town centre shopping and increase local spend. Building on this campaign, all 32 Local Authorities have now been invited to participate in a new 'Scotland Loves Local Gift Card' scheme to further encourage consumers to think local first. The scheme will support local businesses that are emerging from the impact of Covid-19, protect local jobs and make our communities stronger. So far 16 Local Authorities have signed up to it with a further 8 reporting to their relevant committees during August 2021.

- 3.2 Research shows that two-thirds of the money spent in the local economy is then re-spent locally with the multiplier effect worth millions of pounds to Scotland's economies. There is also evidence from schemes that indicate on average, recipients of gift cards spend an additional 65% over the value. Elgin BID (Business Improvement District) operates a successful gift card scheme with over 80 Elgin town centre businesses participating. The Moray Gift Card scheme will be an opportunity for Elgin businesses to gain further benefits from being included in an area wide scheme, should they choose to register,
- 3.3 5,000 gift cards will be produced per Local Authority area and will be available for purchase via the Scotland Gifts Local website. Area specific landing pages, directories and maps of registered businesses, fulfilment of online gift card orders will be carried out by STP partner Miconex, an experienced provider of Town and City Gift Cards.
- 3.4 There is no cost for businesses to register and they receive the full value of any sales made to their business. The scheme uses existing MasterCard infrastructure, which is suitable for all businesses. Promotional materials and support will be provided by STP/Miconex which includes launch packs, drafting and distribution of news releases and local photographer support. Provided materials include: Social media assets, promotional materials for retailers (window stickers), videography/animations (merchant sign-up; corporate incentive schemes), business engagement kit, including an FAQ document, newsletter and blog content.
- 3.5 Council staff are required to promote the scheme to local businesses and consumers. Recipients of any gift cards can then choose to spend it at any of the registered businesses across Moray.
- 3.6 The scheme is being launched in participating council areas between June and September 2021, with consumer promotion from mid-September onwards. A case study of the successful Aberdeen Gift Card scheme (launched in November 2020) is included with this report as **APPENDIX I**.
- 3.7 In order to benefit from the support provided, Local Authorities are required to sign a Concordat to confirm participation and agreement to promote scheme registration to local businesses. The concordat will allow:
  - Use of the gift card in our communities: in so doing, allowing the sale, use and circulation of gift cards in Moray.
  - Promotion of registration to the Scotland Loves Local Gift Card scheme amongst outlets, merchants and attractions in Moray.

- Working with national and regional partners to launch the Moray Gift Card, through provision of external support with communications activities;
  - Provision of content for a Moray landing page to encourage the use of the gift card. The content will likely include the Council logo and suitable introductory content to the initiative.
- 3.8 The scheme provides an opportunity for Council to demonstrate corporate social responsibility by purchasing gift cards for corporate gifts, for example as long-service awards for employees. Cards could also be used in procurement as part payment for construction contracts to be redeemed with local accommodation providers. The scheme could also be marketed to large employers in the area for corporate gifts and/or staff benefit/reward packages.
- 3.9 The Scottish Government and Scotland's Town Partnership are financing the first year of the gift card scheme operation. However if Council wishes to continue after year one, there is potential ongoing cost for production of gift cards, promotion, e-commerce, customer/business support and platform access. It is estimated to be in the region of £11,700 per year. Whilst some unredeemed gift card amounts can be offset against this on an annual basis, at this point it is not yet clear if the Scottish Government is planning to extend their support for future years.
- 3.10 The success of the Moray local gift card scheme will be monitored and reported back to this committee with recommendation to either continue or not. As 3 months' notice is required to withdraw support from the scheme, the report will be scheduled for late spring 2022.
- 3.11 **Loves Local Fund** - On 6 August 2021, STP launched a complementary funding scheme with closing deadline of 1 October 2021. The new £10 million Scotland Loves Local Fund will provide 50% match funding of between £5,000 and £25,000. The key aim of the fund is to build the wealth of our local communities, revitalise our local places, town centres, or 20 minute neighbourhoods, increasing footfall and activity by encouraging communities to 'think, choose and love local', improving, supporting and promoting local places, and communities. The emphasis is on supporting strategic and collaborative localised projects, ideally developed in partnerships. This can include both capital and / or revenue funding for small scale local place-based improvements, recognising the importance and actively engaging and developing the local area.
- 3.12 This new fund presents an opportunity to further support the promotion of the gift card scheme for example through engaging street ambassadors and / or to prepare a Moray wide bid for projects and activities to support town centres. Potential joint application is being explored between Council, Elgin BID and other towns' relevant organisations with a closing deadline of 1 October 2021. Subject to that match funding is in place from the various partner organisations, it is proposed to seek delegated authority in consultation with Group Leaders for submitting a joint application. Officers will provide support for completing the application form, claims and reporting

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The proposal will contribute to achieving the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

The Scotland Loves Local Gift Card is part of a package of assistance which has continued to be made available by Scottish Government and Scotland's Towns Partnership to respond to economic and social challenges presented by the ongoing Covid-19 pandemic; and to further support recovery within our towns, town centres and communities.

**(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

**(c) Financial implications**

There are no financial implications arising for the council in year one of the scheme.

**(d) Risk Implications**

There is a potential risk that there could be lack of interest by businesses to register and / or consumers not purchasing gift cards.

**(e) Staffing Implications**

The overall project management for the Gift Card scheme rests with STP and Miconex. Staff from the Economic Growth and Regeneration section will support participation in the scheme in Year One and monitor effectiveness. The promotion of the scheme would be undertaken in partnership with Council's Communications and Media team and range of business partners such as Federation of Small Businesses, Chamber of Commerce and Business Improvement Districts.

For the Scotland Loves Local Fund potential joint application, any staff implication on Finance and the Economic Growth and Regeneration sections are expected to be less than for the administration of the former Moray Towns Partnership Fund or Money for Moray scheme. The scale of bid will impact on staffing implications and the bid may involve a number of partners across several towns, if it is likely that the bid cannot be supported by current staffing resources a further report to Committee would be made.

**(f) Property**

None

**(g) Equalities/Socio Economic Impact**

The Moray Gift Card will bring economic investment into Moray's towns, some of which some are characterised by low wages, low rates of full-time employment, wealth deprivation and child poverty.

**(h) Consultations**

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, Paul Connor (Principal Accountant) the Equal Opportunities Officer and Tracey Sutherland (Committee Services Officer) have been consulted and their comments incorporated.

**5. CONCLUSION**

- 5.1 A Moray Local Gift Card scheme will provide much needed support for local businesses that are emerging from the impact of Covid-19, protect local jobs and help to regenerate towns.**
- 5.2 Gift card schemes have proven to have a multiplier effect on the local economy and are a sustainable, inclusive way to lock spending in locally for longer.**
- 5.3 This is an opportunity for Council to participate in a National initiative that will strengthen community spirit and demonstrate commitment to community wealth building, and to secure funding for complementary projects and activities.**

Author of Report: Kirsty Conti, Economic Growth & Regeneration Development Officer

Background Papers: Documents on file in Economic Growth & Regeneration section

Ref:







## Case study: the Aberdeen Gift Card

### Background to the Aberdeen Gift Card

The Aberdeen Gift Card launched on the 26<sup>th</sup> November 2020 and can be spent with 170 businesses in Aberdeen. Over £150,000 of Aberdeen Gift Cards were sold within the first 5 weeks, making it one of the most successful Town and City Gift Card programmes in the UK. The project was led by Aberdeen Inspired with the support of Aberdeen City Council.

Shona Byrne is a senior project manager at Aberdeen Inspired:

### What research did you conduct to find a gift card solution and what were the key elements you were looking for?

“It was always part of our business plan at Aberdeen Inspired to introduce a gift card or loyalty card in the first year of our third term but the pandemic accelerated that need. We undertook research into the gift card market looking at places like Stavanger, cities in North America and the UK. We knew the gift card market was big and growing and when we saw the size of the UK gift card market, we knew it was definitely a good opportunity for Aberdeen as we did not have any city wide scheme.

“There were risks for us as a BID in introducing a gift card scheme in the last year of our term, the ballot for our renewal will take place in June this year, so it was key for us to get ownership of the scheme from Aberdeen City Council. We agreed that Aberdeen Inspired would take the lead on the project, and in the event that Aberdeen Inspired no longer existed, the local authority would take over.

“The decision to develop an Aberdeen Gift Card with Miconex was agreed at board level in September 2020. Aberdeen City Council supported us in a few ways. They provided funding for the launch of the programme and assistance with marketing communications. The local authority already had various campaigns booked for the festive period, such as their safe city campaign and we were able to make the Aberdeen Gift Card messaging part of these campaigns.”

### How was the idea of the Aberdeen Gift Card received by merchants? How did you onboard them?

“Merchants welcomed the Aberdeen Gift Card with open arms. When we told them that it was free and as easy as taking a swiped Visa or Mastercard transaction they were sold. We had two business

engagement members charged with visiting all businesses, dropping off the information and, if possible, signing them up there and then by taking the test swipes. If necessary, our business engagement team would make a second visit to the business. It was a successful roll-out and we had over 120 businesses at launch date.”

### **Can you please tell us about your launch, marketing and PR activity?**

“It was 8-10 weeks from signing the contract to launching the programme, so it was incredibly fast. Working alongside Aberdeen City Council, we had a really high profile launch, using digital, outdoor, press and broadcast media (mainly radio), as well as lots of competitions to win a gift card plus extensive PR coverage. The campaign theme was ‘a gift to you to spend in our city’. Aberdeen City Council is one of the biggest employers in the city, and they supported and promoted the Aberdeen Gift Card to their staff on digital channels.

“One of the important factors which was key to our success was launching the gift card at a time when supporting local has never been more important, or talked about. The need to support local businesses was promoted through lots of channels but the Aberdeen Gift Card captured people’s imaginations and made local shopping simple. We were able to counter the uncertainty for customers around single retailer gift cards, giving them a local gift card that can be spent with a number of businesses.

“Our core message was that the Aberdeen Gift Card supports local livelihoods, local jobs and it’s a secure way to shop and gift, with multiple businesses to redeem your gift card. We played with that message in a creative, soft way that resonated with our target market on an emotional level.

“We have a positive, proactive relationship with the local authority. The implementation and day to day running of the gift card is down to us at Aberdeen Inspired and, as Aberdeen City Council has provided funding to the project, we report key figures to them within a quarterly report, including the number of businesses signed up, number of gift cards sold, average values of gift cards sold, online sales, total value of gift cards sold and redemptions.”

### **What are your future plans with the Aberdeen Gift Card?**

“One of the ways we can develop our gift card is by extending its use across the corporate sector including our local authority. The city has many big employers who run incentive and reward schemes and we will be encouraging them to choose the gift card as a way of supporting the local economy, it fits well with CSR policies. There is also the potential to set up additional sales points for the gift card to be sold by our local authority at their public offices at other outlets in the city centre.

“We haven’t begun to unlock the potential of any corporate sales at all yet and we believe this offers huge potential market for the city. We have an annual marketing plan and after the ballot, we plan to allocate some discounts to big corporate businesses. We’ll also be onboarding more businesses. The Aberdeen Gift Card will continue to be marketed at key times of the year, such as Mother’s Day, Father’s Day, Valentine’s Day and the end of term but there is the potential to let the marketing take a different approach.

“People often see local as small independents but the M&S in Aberdeen is as local as the greengrocers, both supporting local jobs and therefore local livelihoods. National brands attract customers to the city, and that benefits the small independent businesses. We’ve sadly lost Debenhams and John Lewis in Aberdeen City Centre but we can work to change perceptions that local means small independents, and we’re happy to have the likes of M&S, New Look and Next alongside our independent retailers.

“We’re working really hard at the moment on the reopening of non-essential retail with a campaign for businesses that reminds them how to receive the card as a payment method. Some shops have been closed for three months and staff will not have seen an Aberdeen Gift Card. We’ll be visiting or calling each business and letting them know that reminder leaflets are on their way, encouraging them to brief staff. I think that engagement and keeping the Aberdeen Gift Card top of mind with businesses is something we just have to keep on pushing. We’ll undertake mystery shopping visits to check acceptance. We want to ensure customers have a positive experience of using the Aberdeen Gift Card and protect the reputation of the card.”

### **And finally, any advice for other places thinking about launching their own gift card?**

“My advice is to be really clear on the technical side of the gift card, it will be down to you to communicate to businesses and customers how to redeem the card so you need to understand this yourself. The Aberdeen Gift Card was one of the first to have an expiry date on the card but there’s also the CVV code which is above the QR code. Understanding the little technical details will make answering queries from businesses easier.

“We have a small team here but we had a clear plan of what we needed to achieve in the 8-10 weeks prior to our launch. If you are a local authority, or working alongside a local authority, to launch a gift card programme, try and arrange an in person sales point from the outset and make the gift card central to incentives and rewards for council staff and local employers. Involve your local authority in your press activity, with quotes from local councillors and get that support for the gift card in council communications as it makes a big difference.”

“The Aberdeen Gift Card has been hugely beneficial for the city. In a short period, we’ve taken £150,000 in sales, and as people will spend 40% plus on top when they redeem their card, that’s £210,000 or more for the Aberdeen economy.”